(b) if so, the total quantum of gas assessed; and

(c) by when the commercial distribution of gas would be made?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir. Exploratory efforts by Oil and Natural Gas Corporation (ONGC) have led to the discovery of gas in the ultra-deep water of KG-DWN-98/2 block in Krishna-Godavari offshore.

(b) The quantum of gas has not been ascertained so far.

(c) Commercial production depends on commerciality of discoveries and their subsequent development plan.

Recommendations of Parliamentary Standing Committee on duty structure

825. SHRI SITARAM YECHURY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Parliamentary Standing Committee had recommended for revision of duty structure for petroleum products; and

(b) if so, the details of Government's response to these recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The Standing Committee on Petroleum & Natural Gas in its Tenth Report on 'Pricing of Petroleum Products' for the year 2005-06 has observed that the share of taxes and duties in the retail selling prices of commonly used fuels including auto fuels are too high and consequently need to be rationalised. The Committee has also recommended that *advalorem* component in the existing mix should be replaced by a single specific component further the Committee recommended that custom duty on products, specially petrol and diesel be brought down to 5% from 10%.

As per recommendations of Rangarajan Committee, the pricing of petrol and diesel was changed from import parity to trade parity basis (weighted average of import and export parity price in the ratio of 80:20). The custom duty on petrol and diesel were reduced to 7.5% from 10% with effect from 16.6.2006, reducing the protection of the refineries further.

In the Union Budget 2007-08, Government has reduced the excise duty from 8% to 6% on petrol and diesel with effect from 1.3.2007. In view of the reduction in retail prices of petrol and diesel by Rs. *2/-* per litre and Rs. 1/- per litre respectively already effected from 16.2.2007, Government has advised oil marketing companies to retain the reduction of excise duty.

Contribution by petroleum sector to the exchequer

826. SHRI M.V. MYSURA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that due to taxes and duties on petroleum products, there has been a lot of contribution to the Central and State Governments exchequers;

(b) if so, the details of contribution by petroleum sector (duties and taxes) to Central and State Governments exchequers during the years 2003-04,2004-05,2005-06 and 2006-07 (provisional); and

(c) if so, the steps taken by Government to protect the interest of consumers of petroleum products?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The details of contribution by petroleum sector to Central and State Governments Exchequers during 2003-04,2004-05.2005-06 and 2006-07 (Provisional) are given in the Statement (See below).

(c) Keeping in mind the interest of common man, the Government has not increased the prices of petroleum products in line with the international oil prices. Due to this, Oil Marketing Companies (OMCs) have reported under recoveries in marketing of sensitive petroleum products to the tune of Rs. 41,200 crore during April-December, 2006. However, Government along with oil companies have decided to absorb 87.5% of this burden and only 12.5% is to be borne by consumers.

On the basis of decline in international prices, the prices of petrol and diesel were reduced on 30.11.2006. It was again reduced on 16.2.2007. The reduction was Rs. *2/-* per litre and Rs. 1/- per litre for petrol and diesel respectively on each occasion (Delhi Price). It may be noted that the prices of domestic LPG were last revised on 5/11/04. However, the basic